

The Corps' Aging Hydropower Plants

The Corps of Engineers operates 75 hydropower plants at its multipurpose water resource projects across the country. Of these hydro plants:

- 33 are more than 50 years old
- Another 18 are more than 40 years old
- Another 19 are more than 30 years old

Southwestern Power Administration markets hydropower from 24 of these Corps projects. Of the 24 projects which supply us with energy and capacity:

- 8 are more than 50 years old
- Another 7 are more than 40 years old
- Another 5 are more than 30 years old

As this equipment gets older, it is subject to breakdown and forced outage. When an unplanned outage occurs, short-term purchases of electric energy off the market are often required to fulfill contractual arrangements. This purchased energy is expensive and is generated at fossil-fueled power plants. Thus, we are trading low-cost, carbon-neutral energy for high-cost fossil-fueled energy.

The Corps has a hydropower O&M backlog of about \$350 million, plus another \$1.56 billion in needed major rehabilitation of its power plants. SPRA has identified 50 O&M projects at the 24 Corps hydro plants in our region totaling almost \$27 million that need to be completed, as well as \$62 million in unfunded major rehabilitation work that needs to be done.

Southwestern is collecting about \$37.5 million from its wholesale power customers each year in expectation that this money will be used to replace components and rehabilitate powerhouses as equipment reaches the end of its useful life. This money is sent to the U.S. Treasury, but Congress is not appropriating these funds to the Corps to perform the maintenance of hydro plants for which it was collected.

Congress needs to live up to its responsibility to fully fund the maintenance of the Corps' hydropower plants – especially since the money is being collected from electric ratepayers. Because funds are already being collected through Southwestern's wholesale power rates, appropriating these monies to perform the work for which they were collected would have no impact on the deficit.